

Message Text

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ACTION OPR-02

INFO OCT-01 EA-09 ISO-00 L-03 A-01 ABF-01 ST-01 MMO-04

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R 260850Z FEB 76

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 1053

UNCLAS SECTION 1 OF 2 RANGOON 0645

E.O. 11652: N/A

TTAGS: AREC, BM

SUBJECT: NON-APPROPRIATED FUND ACTIVITIES - PROCUREMENT STUDY

REF: STATE 035798

1. RANGOON HAS TWO NON-APPROPRIATED FUND ACTIVITIES, THE AMERICAN EMBASSY COMMISSARY RANGOON, AND THE AMERICAN EMBASSY RECREATION ASSOCIATION (AERA). THE ANSWERS TO THE QUESTIONS IN REFTEL ARE PROVIDED FOR BOTH. AUDIT REPORTS AND SUPPORTING DOCUMENTS WILL BE SENT BY AIR POUCH.

2. COMMISSARY - TASK ONE:

A. NO.

2. PERPETUAL STOCK LEDGER CARDS ARE REGULARLY REVIEWED TO DETERMINE AVERAGE MONTHLY CONSUMPTION, STOCK BALANCE, AND QUANTITY ON ORDER. WHEN AN ITEM REACHES ITS REORDER POINT, AN ORDER IS PREPARED AND PLACED WITH THE RESPECTIVE SUPPLIER. DEPENDING UPON THE NATURE OF THE ITEM, A THREE TO SIX MONTH SUPPLY IS NORMALLY MAINTAINED.

B. THE AMERICAN MANAGER.

C. PURCHASE REQUIREMENTS ARE ESTABLISHED AND ORDERS ARE PLACED BY THE COMMISSARY MANAGER UNDER THE GENERAL GUIDELINES ESTABLISHED BY THE COMMISSARY CHAIRMAN (ADMINISTRATIVE OFFICER) AND BOARD (A REPRESENTATIVE GROUP OF AMERICAN EMPLOYEES AND DEPENDENTS FROM THE EMBASSY).

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1. THE MANAGER FOR NORMAL SUPPLY PROCUREMENT. THE

CHAIRMAN AND/OR BOARD ARE CONSULTED ON SPECIAL
PROCUREMENT SITUATIONS.

D. BEFORE PLACING AN ORDER FOR AN ITEM OR GROUP OF ITEMS,
VARIOUS SOURCES ARE COMPARED ON BASIS OF AVAILABILITY,
CIF PRICE, SHIPPING FACILITIES, TRANSIT TIME, AND COUNTRY
OF ORIGIN.

1. SAME AS C ABOVE.

E. CALENDAR YEAR 1975 FIGURES ARE:

1. INSIGNIFICANT
2. 16.8 PERCENT US \$ 30,821
3. 45.6 PERCENT 83,440
4. 35.6 PERCENT 65,144
5. 2 PERCENT 3,732
6. 260

F. STEPS IN NAF PROCUREMENT:

1. CIF QUOTATIONS ARE REQUESTED FROM VARIOUS SUPPLIERS.
2. CIF QUOTATIONS ARE COMPARED AND EVALUATED ACCORDING
TO FACTORS IN D ABOVE.
3. ORDER PLACED ACCORDING TO BEST OFFER.
4. ON RECEIPT, SHIPMENTS ARE SURVEYED ACCORDING TO
STANDARD COMMERCIAL PROCEDURES.
5. ANY DAMAGES, SHORTAGES, SHORTSHIPMENTS, ETC., ARE
CLAIMED FROM THE RESPONSIBLE PARTIES (VENDOR, SHIPPING
COMPANY, OR INSURANCE COMPANY).
6. PAYMENTS ARE MADE ONLY UPON RECEIPT OF SHIPMENTS.

3. COMMISSARY TASK TWO:

- A. AN ANNUAL AUDIT IS CONDUCTED BY A DISINTERESTED AUDIT
COMMITTEE APPOINTED BY THE COMMISSARY BOARD.
- B. PHYSICAL INVENTORY OF STOCKS AND EQUIPMENT IS CONDUCTED
EVERY THREE MONTHS BY COMMISSARY EMPLOYEES WITH THE
ASSISTANCE OF BOARD MEMBERS.
- C. CHAIRMAN, BOARD, AND GENERAL MEMBERSHIP REVIEW PRICE
COMPARISONS FROM VARIOUS POSSIBLE SUPPLY SOURCES AND
ESTABLISH GENERAL GUIDELINES FOR PROCUREMENT AUTHORITY
DELEGATED TO THE MANAGER. ALL PAYMENT CHECKS ARE
SIGNED BY BOARD CHAIRMAN AND TREASURER.
- D. YES. OTHER FACTORS INCLUDE AVAILABILITY INCLUDING
PREVIOUS EXPERIENCE WITH SHORT FILLING ORDERS, SHIPPING
FACILITIES INCLUDING REFRIGERATION, AND TRANSIT TIME AS

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A LONG VOYAGE CAN RESULT IN SOME FOODS GOING STALE OR
BECOMING BUG INFESTED.

4. COMMISSARY TASK THREE:

- A. THE STOCK REDUCTION AND POSSIBLE CLOSING OF THE U.S.
MILITARY COMMISSARY AND EXCHANGE FACILITIES IN BANGKOK
FORCED A TOTAL REVIEW OF ALTERNATE PROCUREMENT SOURCES.
U.S. WHOLESALE GROCERY SUPPLIERS ARE NOW BEING USED AND

THE LONGER TRANSIT TIME HAS BEEN ACCOMMODATED IN THE ORDERING SCHEDULE.

B. HOST GOVERNMENT REQUIRES ONLY THAT PROCUREMENT BE FOR USE OF MISSION AMERICAN PERSONNEL.

5. COMMISSARY TASK FOUR:

- A. PREVIOUS EXPERIENCE IN PROCUREMENT AND STORE OPERATION IS DESIRABLE.
- B. PRESENT AMERICAN MANAGER HAS THREE YEARS EXPERIENCE IN PROCUREMENT AND STORE OPERATION. CHAIRMAN HAS FIVE YEARS OF STATE DEPARTMENT PROCUREMENT EXPERIENCE.
- C. ONE
- D. NONE. ONLY CHAIRMAN CAN EXECUTE CONTRACTS.
- E. NONE. ONLY CHAIRMAN WITH BOARD APPROVAL.
- F. SAME AS A FOR SMALL PURCHASE ORDERS.
- G. DOLLAR LEVEL NOT ESTABLISHED. MANAGER IS AUTHORIZED TO PROCURE FROM APPROVED SOURCES IN NORMAL, REPLENISHMENT QUANTITIES AND ALL UNUSUAL PROCUREMENT IS APPROVED BY CHAIRMAN AND BORAD.

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6. AERA TASK ONE:

- A. NO.
 - 2. DAY-TO-DAY REQUIREMENTS OF CONSUMABLES ARE PURCHASED LOCALLY WITH CASH FROM AN IMPREST FUND OR ORDERED FROM THE EMBASSY COMMISSARY. CAPITAL EQUIPMENT, CONSTRUCTION, AND OTHER PURCHASES ARE APPROVED BY THE AERA BOARD.
- B. CLUB MANAGER (LOCAL NATIONAL ON PAYROLL) MAKES LOCAL, SMALL PURCHASES AND PREPARES COMMISSARY ORDER FOR CON-

SUMABLES. OTHER PROCUREMENT IS CARRIED OUT WITH BOARD APPROVAL BY AT LEAST TWO ELECTED OFFICERS OF THE BOARD WITH TECHNICAL ADVICE FROM EMBASSY PERSONNEL.

C. AERA FUNCTIONS ARE LIMITED TO THE OPERATION OF A SMALL CLUB AND A BEACH COTTAGE FOR USE OF EMBASSY STAFF. PROCUREMENT IS CARRIED OUT AS DESCRIBED IN A AND B ABOVE WITHOUT FORMAL, ORGANIZATIONAL DIVISIONS.

1. THE MANAGER FOR CONSUMABLES UNDER GENERAL GUIDELINES FROM THE BOARD. ALL OTHER DECISIONS ARE MADE BY THE BOARD.

D. MANAGER MAKES DAILY DECISIONS ON LOCALLY PROCURED CONSUMABLES ON BASIS OF AVAILABILITY AND PRICE. IMPORTED CONSUMABLES ARE PURCHASED FROM COMMISSARY AS QUANTITIES REQUIRED DO NOT JUSTIFY INDEPENDENT PROCUREMENT. OTHER PROCUREMENT SOURCES ARE CHOSEN BY THE BOARD ON BASIS OF PRICE, AVAILABILITY, AND TRANSIT TIME.

E. CALENDAR YEAR 1975 FIGURES ARE:

1. 30.6 PERCENT US \$ 14,397
2. 7.7 PERCENT 3,615

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3. 2.4 PERCENT 1,127
4. NONE
5. 57.9 PERCENT 27,141
6. 1.2 PERCENT 565

F. BULK OF PROCUREMENT IS BY PETTY CASH SYSTEM OR FROM COMMISSARY WITH A ONCE A MONTH BILL. OTHER PROCUREMENT OF EQUIPMENT AND SERVICES IS HANDLED BY BOARD MEMBERS WHO REVIEW CATALOGUES, QUOTATIONS, AND/OR BIDS, PLACE THE ORDER, AND AUTHORIZE PAYMENT ON RECEIPT OF GOODS OR SERVICES. ALL PAYMENTS ARE MADE OR APPROVED BY ELECTED TREASURER.

7. AERA TASK TWO:

- A. AN ANNUAL AUDIT IS CONDUCTED BY A DISINTERESTED AUDIT COMMITTEE APPOINTED BY THE AERA BOARD.
- B. DAILY BY MANAGER AND BY A BOARD MEMBER ONCE PER MONTH.
- C. SEE TASK ONE F. ADMINISTRATIVE OFFICER IS A NON-VOTING MEMBER OF BOARD.
- D. YES. OTHER FACTORS INCLUDE AVAILABILITY, SHIPPING FACILITIES, TRANSIT TIME, AND WITH CONTRACTORS, PREVIOUS EXPERIENCE.

8. AERA TASK THREE. NO PROBLEMS.

9. AERA TASK FOUR:

- A. MANAGER MUST BE EXPERIENCED IN RESTAURANT OPERATIONS.
- B. CLUB MANAGER IS EXPERIENCED IN LOCAL MARKET PURCHASING. BOARD INCLUDES PERSONS WITH STATE DEPARTMENT PROCUREMENT EXPERIENCE.
- C. CLUB MANAGER WHO IS LIMITED TO PURCHASES LISTED IN TASK

ONE B.

D. NO CONTRACTS OF THIS SIZE ARE MADE.

E. ONLY BOARD CHAIRMAN CAN EXECUTE CONTRACTS AFTER BOARD APPROVAL.

F. SEE B ABOVE.

G. CLUB MANAGER IS LIMITED TO PURCHASING FOODSTUFFS, BEVERAGES, AND MAXIMUM OF \$5 PER DAY FOR OTHER EXPENDABLE SUPPLIES.

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